

Wisconsin Acts
Enacted by the Legislature in
Calendar Year 1984

1983 Senate Bill 372

Date of enactment: February 3, 1984
Date of publication: February 8, 1984

1983 Wisconsin Act 119

AN ACT to repeal 224.06 (4) (b); to consolidate, renumber and amend 224.06 (4) (intro.) and (a); to amend 220.04 (1) (b), 221.01 (4), 221.03 (6), 221.04 (1) (e) and (j) 18 and (4g), 221.08 (4), 221.16, 221.31 (1), 221.43, 224.06 (2) and 224.06 (7); and to create 221.25 (4) of the statutes, relating to miscellaneous changes affecting banking regulation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 220.04 (1) (b) of the statutes is amended to read:

220.04 (1) (b) In lieu of any examination ~~other than the one~~ required to be made by the commissioner ~~under par. (a)~~, the commissioner may accept any examination that may have been made of any bank, trust company bank or mutual savings bank within a reasonable period by the federal deposit insurance corporation or a federal reserve bank, provided a copy of the examination is furnished the commissioner. ~~The commissioner may also accept any report relative to the condition of any such bank which may have been obtained by said corporation or federal reserve bank within a reasonable period, in lieu of a report which may be required under the laws of this state, provided a copy of such report is furnished the commissioner.~~

SECTION 2. 221.01 (4) of the statutes is amended to read:

221.01 (4) FEE. The applicants shall pay to the commissioner of banking a fee of ~~\$1,000~~ \$1,500 together with the actual costs incurred by the commissioner in making his investigation of the application, which sum shall be paid into the state treasury.

SECTION 3. 221.03 (6) of the statutes is amended to read:

221.03 (6) Within 90 days from the filing of the articles of incorporation, the incorporators shall file with the commissioner, in duplicate, the proposed bylaws and a complete list of the stockholders of the proposed bank, showing the number of shares held by each, the post-office address, and the approximate worth of each. On approval by the commissioner, the bylaws shall be submitted for consideration by the shareholders.

SECTION 4. 221.04 (1) (e) and (j) 18 and (4g) of the statutes are amended to read:

221.04 (1) (e) To make, amend and repeal bylaws and regulations, not inconsistent with law or its articles of incorporation, for its own government, for the orderly conduct of its affairs and the management of its property, for determining the manner of calling and conducting its meetings, and such others as shall be necessary or convenient for the accomplishment of its purpose; provided, that such bylaws shall provide for safe and

orderly conduct of the corporation's business and for the protection of its depositors and stockholders, ~~and no bylaws or regulations, or amendments or repeal thereof, shall become of effect until approved by the commissioner of banking.~~ No bylaw or regulation shall be made, amended or repealed except by an affirmative vote of two-thirds of the outstanding capital stock having voting power.

(j) 18. Application for the establishment of a branch under this paragraph shall be made to the commissioner on a form furnished by the commissioner. The application shall be accompanied by a fee of \$500.

(4g) STOCK IN BANK-OWNED BANKS. Any bank may, with the approval of the commissioner ~~and banking review board~~, acquire and hold stock in an aggregate amount not exceeding 4% of its capital and surplus, in one or more banks chartered under s. 221.57 or in one or more bank holding companies wholly owning a bank chartered under s. 221.57.

SECTION 5. 221.08 (4) of the statutes is amended to read:

221.08 (4) Every director shall take and subscribe an oath to perform diligently and honestly the director's duty and not knowingly violate or permit a violation of chs. 220 to 224. ~~The oath shall be transmitted to, and filed in the office of, the commissioner.~~

SECTION 6. 221.16 of the statutes is amended to read:

221.16 (title) One hundred dollars per day forfeiture. Every bank failing to make and transmit to the commissioner of banking any of the reports or proofs of publication as required by this chapter, shall be subject, at the discretion of the commissioner, to a forfeiture of ~~\$10~~ \$100 for each day after the time required for making such reports. Whenever any bank fails or refuses to pay the forfeiture herein imposed for a failure to make and transmit such report, the commissioner is hereby authorized to institute proceedings for the recovery of such forfeiture.

SECTION 7. 221.25 (4) of the statutes is created to read:

221.25 (4) Application for approval of a consolidation under sub. (1) shall be made on a form prescribed by the commissioner. The application shall be accompanied by a fee of \$1,000.

SECTION 8. 221.31 (1) of the statutes is amended to read:

221.31 (1) No bank may loan without security more than \$10,000 in the aggregate to any ~~director, officer, or employe,~~ nor more than \$25,000 in the aggregate to any director, and any loan in excess of ~~\$10,000 shall be~~ these limits subject to the following conditions:

(a) The loan shall previously be approved by resolution of the board of directors recorded in its minutes or be within the limits of a line of credit approved for such director, officer or employe at least annually by resolution of the board of directors recorded in its minutes.

(b) The amount of any loan in excess of ~~\$10,000 made to such person~~ these limits shall be secured in full by indorsement or collateral security, the sufficiency of which shall be reviewed by the board of directors at its first meeting after each new loan.

SECTION 9. 221.43 of the statutes is amended to read:

221.43 Shares of stock, when not transferable. The shares of stock of an incorporated bank shall be deemed personal property, and shall be transferred on the books of the bank in such manner as the bylaws thereof may direct, and no transfer of capital stock shall be valid while the bank is under notice to make good the impairment of its capital, as provided in s. 220.07, nor until such impairment shall have been made good. ~~All transfers~~ A transfer of stock shall be certified by the bank cashier to the commissioner of banking within 3 days after ~~such~~ the transfer, if the transfer is of at least 5% of the outstanding shares or affects the holdings of the owner of record or beneficial owner of

at least 5% of the outstanding shares. Failure to comply with this requirement shall be punishable by a fine of not to exceed \$100.

SECTION 10. 224.06 (2) of the statutes is amended to read:

224.06 (2) No officer or employe who is required to give bond shall be deemed qualified nor shall be permitted to enter upon the discharge of his duties until his bond shall have been approved by a majority of the board of directors. ~~Such bond shall be filed with the commissioner within 10 days next after approval thereof by the board of directors.~~ The minute books of each bank shall contain a record of each bond executed and approved.

SECTION 11. 224.06 (4) (intro.) and (a) of the statutes are consolidated, renumbered 224.06 (4) and amended to read:

224.06 (4) Every such bond shall ~~also include the following provisions: (a) No provide that no~~ cancellation or other termination of this the bond shall be effective unless the surety gives in advance at least 10 days' written notice by registered mail to the commissioner. If ~~this the~~ bond is canceled or terminated at the request of the insured (employer) ~~this provision nevertheless shall apply, it being the duty of,~~ the surety to shall give the required written notice to the commissioner, ~~such notice to be given promptly and in any event~~ within 10 days after the receipt of such request.

SECTION 12. 224.06 (4) (b) of the statutes is repealed.

SECTION 13. 224.06 (7) of the statutes is amended to read:

224.06 (7) Any violation of the provisions contained in subs. (1) and (2) shall subject the bank to a fine of ~~\$10~~ \$100 per day for each consecutive day of such violation and it shall be the duty of the attorney general to recover any such penalties by action for and in behalf of the state.
